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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

February 10, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 05HD-279

HAWAII

Approval of Sub-Lease of Private Property with Robert K. Cabos, on Behalf of the
Department of Labor and Industrial Relations, for File Storage Purposes at Papaikou,
Hamakua, Hawaii, Tax Map Key: 3rd/ 2-7-33:18

APPLICANT:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS, Hilo District Office,
whose business and mailing address is 75 Aupuni Street, Room 108, Hilo, Hawaii 96720.

SUBLESSOR:

Robert K. Cabos, husband of Roxana Cabos, whose mailing address is 2620 Kaiwika
Road, Hilo, Hawaii 96720.

LEGAL REFERENCE:

Section 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of private property, Yoshiyama Store, Space Number 1, situated at Papaikou, South
Hilo, Hawaii, identified by Tax Map Key: 3rd/ 2-7-33:18, as shown on the attached map
labeled Exhibit A.

AREA:

2,255 square feet, more or less.

ZONING:

State Land Use District:	Commercial
County of Hawaii CZO:	Village Commercial

CHARACTER OF USE:

File storage purposes

LEASE TERM:

2 years & 5 months, commencing on March 1, 2006 and expiring on July 31, 2008

MONTHLY RENT:

\$563.65 per month Payable in advance on the First day of each and every month for the first year, period ending February 28, 2007.

\$834.35 per month Payable in advance on the First day of each and every month for the remaining term of the sublease, period ending February 28, 2008.

DCCA VERIFICATION:

Not applicable, Sub-Lessor is a sole proprietor and is not required to register with DCCA.

REMARKS:

By letter dated, December 21, 2005, Gail Okada, Acting Labor Program Field Manager, Department of Labor and Industrial Relations (DLIR), requested approval from the Board of Land and Natural Resources to enter into a sublease agreement with a Robert K. Cabos, for file storage purposes.

DLIR's file storage site was previously at the former Hilo Hospital, which was vacated in 2003 due to plans for its demolition and construction of a Veteran's Center. DLIR has since been renting temporary storage space at U-Stor Self-Storage, which at the present, consists of two units. One unit, measuring 180 square feet rents for \$190 per month and a second unit measuring 100 square feet is \$100 per month. With a combined storage area of 280 square feet at \$290 per month, or \$1.04 per square foot, this site does not provide for any marginal workspaces for DLIR staff. Typically, other leases of private property for file storage spaces have been rented out at a rate of .50 per square foot, as compared to the current site. Due to the higher than normal rent for file storage and insufficient workspace provided the DLIR staff, an alternate and more permanent site is being pursued. DLIR has been unable to identify any state owned facility within the Hilo area to satisfy its storage requirements; therefore it began a search for privately owned facilities. Having recently located a suitable site, DLIR is currently in the process of negotiating a sublease of the old Yoshiyama Store in Papaikou. Although a lease between the Yoshiyamas (landowner) and a Robert K. Cabos currently encumbers the former store, agreements are being drafted to secure a sublease, as this is the only option

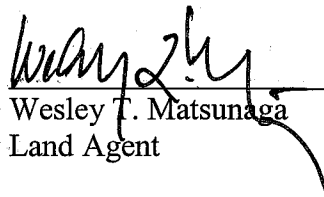
available at this time. By letter dated December 15, 2005, Roy K. Nakamoto, Attorney representing the Yoshiyama Trust, confirms the Yoshiyama's concurrence and consent to the proposed sublease between Mr. Cabos, Lessee/Sublessor, and DLIR, as Sublessee. The proposed sublease agreement does contain provisions for termination subject to providing a 60-day notice. Funding for the sublease of the private property will be allocated through DLIR's fiscal budget. DLIR will continue its pursuit in locating an alternate storage site, preferably closer to Hilo town and at a comparable/ reasonable price.

RECOMMENDATION:

That the Board of Land and Natural Resources approve entering into a sublease with Robert K. Cabos, on behalf of the Department of Labor and Industrial Relations, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

1. The standard terms and conditions of the most current lease/sublease of private property form, as may be amended from time to time;
2. Obtain written concurrence to the sublease from the Yoshiyama Trust or authorized representative, as Lessor/ Landowner;
3. Review and approval by the Department of the Attorney General; and
4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Wesley T. Matsunaga
Land Agent


APPROVED/ ~~DISAPPROVED~~:

Peter T. Young, Chairperson

